

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6496**

**BILL NUMBER:** HB 1167

**NOTE PREPARED:** Feb 1, 2010

**BILL AMENDED:** Jan 28, 2010

**SUBJECT:** Placement of Children Outside Indiana.

**FIRST AUTHOR:** Rep. Moses

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill removes a provision that states the Department of Child Services (DCS) is responsible for payment of any costs or expenses for housing or services provided to or for the benefit of a child placed by a juvenile court in a home or facility located outside Indiana only if the Director of DCS or the Director's designee recommends or approves the placement.

The bill provides that DCS is responsible for these costs and expenses if a juvenile court places a child in a home or facility that is located outside Indiana and the: (1) juvenile court makes written findings based on clear and convincing evidence that the out-of-state placement is appropriate because there is not a comparable facility with adequate services located in Indiana, the location of the home or facility is within a distance not greater than 50 miles from the county of residence of the child, or the placement is recommended or approved by the Director of DCS or the Director's designee; and (2) the placement is less expensive than similar services that can be provided in Indiana.

**Effective Date:** July 1, 2010.

**Explanation of State Expenditures:** (Revised) This bill changes the conditions under which DCS is responsible to pay for the costs of services or housing for CHINS and juvenile delinquents. Currently, DCS is not responsible for the costs of services or housing if the proposed placement is not recommended or approved by DCS. Under the bill, DCS would be responsible for the costs of services or housing if the placement is no more expensive than similar services provided within the state *or* meets one of the following conditions:

- (1) The proposed placement is recommended by DCS.

- (2) The juvenile court determines that out-of-state placement is in the best interest of the child because there are no comparable facilities within the state.
- (3) The location of the facility is within 50 miles of the child's county of residence.

This bill may increase state expenditures to the extent out-of-state placements increase. Increases in out-of-state placements and state expenditures are indeterminable.

Background Information: As of October 1, 2009, there were approximately 80 children placed out of state. Since July 1, 2009, only two requests have been submitted to DCS for review for out-of-state placement.

These 80 children who are placed out of state are placed in the following states: Nevada, Arizona, Pennsylvania, Minnesota, Iowa, and Nebraska. DCS spent approximately \$4.2 M during CY 2009 for out-of-state placement, or approximately \$52,000 per child per year.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) This bill may decrease local court expenditures to the extent DCS will be required to finance the out-of-state treatment services that otherwise would have been financed by the local court. Currently, if DCS does not pay the costs of out-of-state treatment, the local court finances the treatment costs. Per statute, the parent of a child receiving services can be held responsible for some, if not all, of the costs of treatment provided by the court.

**Explanation of Local Revenues:**

**State Agencies Affected:** DCS.

**Local Agencies Affected:** Courts.

**Information Sources:** Ellen Holland, DCS.

**Fiscal Analyst:** Bill Brumbach, 232-9559.